

# Allied Bank West

1500 WAUGH DRIVE  
1300 POST OAK BLVD.  
P.O. BOX 4401  
HOUSTON, TEXAS 77210-4401  
713-599-8700

RECORDATION NO. 5358  
FILED 10/30/87

OCT 30 1987 9 10 AM

INTERSTATE COMMERCE COMMISSION

Date 10/30/87  
Fee 10.00

October 23, 1987

Interstate Commerce Commission  
Washington, D. C. 20423  
Attn: Mildred Lee  
202-275-7037

(12th & Constitution N. W.)

Dear Ms. Lee:

copy & original

Enclosed please find (2) security agreements which are to be filed in your records.

Name \_\_\_\_\_

GLNX#

Associated Railcar, Inc.

"Exhibit A"

After recording please forward back to: <sup>original</sup> Allied Bank West  
P. O. Box 4401  
Houston, Texas 77210  
Attn: Leachress Greer

Check # 13597 in amount of \$ 10.00, is also enclosed for recording fees.

Thank You Very Much.

Sincerely,

*LaGreer*

Leachress Greer  
Loan Closer

Interstate Commerce Commission  
Washington, D.C. 20423

11/2/87

OFFICE OF THE SECRETARY

Allied Bank West  
1500 Waugh Drive  
1300 Post Oak Blvd  
P.O. Box 4401  
Houston, Texas 77210-4401

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/30/87 at 9:10am , and assigned recordation number(s). 15358

Sincerely yours,

*Noreta R. McGee*  
*Secretary*

Enclosure(s)

SE-30  
(7/79)

## COMMERCIAL SECURITY AGREEMENT

Dated October 2, 1987

RECORDATION NO. 10358 Filed 10/2/87

## Debtor(s)

Associated Railcar, Inc.

25231 Grogan's Mill Road, Ste 500

(Street Address)

The Woodlands, TX 77380

(City, State, County, Zip Code)

(hereinafter referred to as "Debtor" whether one or more)

## Secured Party

OCT 30 1987 - 9 10 AM

Allied Bank West

INTERSTATE COMMERCE COMMISSION

1300 Post Oak Blvd.

(Street Address)

Houston, TX 77056

(City, State, County, Zip Code)

(hereinafter referred to as "Secured Party")

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged. Debtor grants to Secured Party the security interest (and the pledges and assignments as applicable) hereinafter set forth and agrees with Secured Party as follows:

**A. OBLIGATIONS SECURED.** The security interest and pledges and assignments as applicable granted hereby are to secure punctual payment and performance of the following: (i) certain promissory note(s) of even date herewith in the original principal sum of \$ 237,600.00, executed by Debtor and payable to the order of Secured Party, and any and all extensions, renewals, modifications and rearrangements thereof. (ii) certain obligations of Debtor to Secured Party under

and all extensions, renewals, modifications and rearrangements thereof; and (iii) any and all other indebtedness, liabilities and obligations whatsoever and of whatever nature of Debtor to Secured Party whether direct or indirect, absolute or contingent, primary or secondary, due or to become due and whether now existing or hereafter arising and howsoever evidenced or acquired, whether joint or several, or joint and several (all of which are herein separately and collectively referred to as the "Obligations"). Debtor acknowledges that the security interest (and pledges and assignments as applicable) hereby granted shall secure all future advances as well as any and all other indebtedness, liabilities and obligations of Debtor to Secured Party whether now in existence or hereafter arising.

**B. USE OF COLLATERAL.** Debtor represents, warrants and covenants that the Collateral will be used by the Debtor primarily for business use, unless otherwise specified as follows:  Personal, family or household purposes;  Farming operations.

**C. DESCRIPTION OF COLLATERAL.** Debtor hereby grants to Secured Party a security interest in (and hereby pledges and assigns as applicable) and agrees that Secured Party shall continue to have a security interest in (and a pledge and assignment of as applicable), the following property, to-wit: (DEBTOR TO INITIAL APPROPRIATE BLANKS)

- All Accounts.** A security interest in all accounts now owned or existing as well as any and all that may hereafter arise or be acquired by Debtor, and all the proceeds and products thereof, including without limitation, all notes, drafts, acceptances, instruments and chattel paper arising therefrom, and all returned or repossessed goods arising from or relating to any such accounts, or other proceeds of any sale or other disposition of inventory.
- Specific Accounts.** A security interest in only those specific accounts and/or contracts listed and described on Schedule A attached or which may hereafter be attached hereto, and all the proceeds and products thereof, including without limitation, all notes, drafts, acceptances, instruments and chattel paper arising therefrom, and all returned or repossessed goods arising from or relating to any such accounts or other proceeds of any sale or other disposition of inventory.
- All Inventory.** A security interest in all of Debtor's inventory, including all goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property, wheresoever located, now owned or hereafter acquired and held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in Debtor's business and all additions and accessions thereto and contracts with respect thereto and all documents of title evidencing or representing any part thereof, and all products and proceeds thereof, including, without limitation, all of such which is now or hereafter located at the following locations: (give locations)
- All Fixtures.** A security interest in all of Debtor's fixtures and appurtenances thereto, and such other goods, chattels, fixtures, equipment and personal property affixed or in any manner attached to the real estate and/or building(s) or structure(s), including all additions and accessions thereto and replacements thereof and articles in substitution therefor, howsoever attached or affixed, located at the following locations: (give legal address)

The record owner of the real estate is:

- All Equipment.** A security interest in all equipment of every nature and description whatsoever now owned or hereafter acquired by Debtor including all appurtenances and additions thereto and substitutions therefor, wheresoever located, including all tools, parts and accessories used in connection therewith.
- General Intangibles.** A security interest in all general intangibles and other personal property now owned or hereafter acquired by Debtor other than goods, accounts, chattel paper, documents and instruments.
- Chattel Paper.** A security interest in all of Debtor's interest under chattel paper, lease agreements and other instruments or documents, whether now existing or owned by Debtor or hereafter arising or acquired by Debtor, evidencing both a debt and security interest in or lease of specific goods.
- Farm Products.** A security interest in all of Debtor's interest in any and all crops, livestock and supplies used or produced by Debtor in farming operations wheresoever located; Debtor's residence is in the county shown at the beginning of this Agreement, and Debtor agrees to notify promptly Secured Party of any change in the county of Debtor's residence; all of Debtor's crops or livestock are presently located in the following counties: (give counties)
- Securities.** A pledge and assignment of and security interest in the securities described below, together with all instruments and general intangibles related thereto and all monies, income, proceeds and benefits attributable or accruing to said property, including, but not limited to, all stock rights, options, rights to subscribe, dividends, liquidating dividends, stock dividends, dividends paid in stock, new security or other properties or benefits to which the Debtor is or may hereafter become entitled to receive on account of said property. (give description)
- Certificates of Deposit.** A pledge and assignment of and security interest in all of Debtor's interest in and to the certificates of deposit described below and instruments related thereto, and all renewals or substitutions therefor, together with all monies, income, interest, proceeds and benefits attributable or accruing to said property or to which Debtor is or may hereafter be entitled to receive on account of said property. (give description)
- Instruments.** A pledge and assignment of and security interest in all of Debtor's now owned or existing as well as hereafter acquired or arising instruments and documents.
- Other.** A security interest in all of Debtor's interest, now owned or hereafter acquired, in and to the property described below. (give description)  
See Attached Exhibit "A"

HARRIS COUNTY, TEXAS.

L. A. Greer, Notary In and For

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Subscribers Read and Share Better 1987

Associated Radiator, Inc.

EXECUTED this 19th day of October 1987 and

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9. **Amendments.** Neither this Agreement nor any of its provisions may be changed, amended, modified, waived or discharged orally, but only by an instrument in writing signed by the party against whom enforcement of the change, amendment, modification, waiver or discharge is sought.

8. **Headings and Gender.** Paragraph headings in this Agreement are for convenience only and shall be given no meaning or significance in interpreting this Agreement. All words used herein shall be construed to be of such gender or number as the circumstances require.

**7.** **Notes.** Any notice of demand given by Succeeded Party to Debtor in connection with this Agreement, the Collateral or the Obligations, shall be deemed given and effective to Debtor shall always be effective to Debtor notwithstanding that Debtor has given notice of receipt.

6. Relationship to Other Agreements. This Secrecy Agreement is in addition to (and not in substitution for) any prior or contemporaneous security agreements, security memoranda, pledges and assigments (and is not intended to affect or supersede any such agreements). In all such agreements, the terms and conditions of the latest agreement shall govern and control.

5. Use of Copies. Any cartoon, photograph or other reproduction of any financing statement signed by Debtor is sufficient as a financing statement for all purposes, including without limitation, filing in any state as may be permitted by the provisions of the Uniform Commercial Code of such state.

4. **Separability.** Any provision hereof found to be invalid by courts having jurisdiction shall be modified to the maximum extent necessary to avoid such invalidity. The remaining provisions shall be construed and enforced to the same effect as if such offending provision or portion thereof had not been contained herein, to the maximum extent possible.

3. **Waivers.** Debtor and any maker endorser, surety or other party liable in any capacity respecting the Obligations hereby waive demand, notice of acceleration, notice of acceleration, notice of non-payment, presentation, protest, notice of dishonor and any other similar waivesever.

2. **Joint and Several Responsibility.** If this Security Agreement is executed by more than one Debtor, the obligations of all such Debtors shall be joint and several.

to the maximum lawful rate under applicable usury laws as soon as feasible or reasonable by the courts having jurisdiction.

OTHER AGREEMENTS.

default remedied or elected without waiving any other prior or subsequent default.

other Obligations in such order of merit as Secured Party may elect. Debtor shall be entitled to any surplus if one results after liquidation of the application to which Secured Party is entitled under the law.

3. Expenses: Debtor shall be liable for and agrees to pay the reasonable expenses incurred by Secured Party in enforcing its rights and remedies, in retaining, holding, testing, repairing, preparing, improving, selling, leasing or disposition of the Collateral, or like expenses, including, without limitation, attorney's fees and legal expenses incurred by Secured Party, together with interest on the amount of any unpaid debt due to Secured Party under the terms of this Agreement, and all other applicable laws, which Debtor agrees to pay, shall constitute additional Obligations and shall be secured by and entitled to the benefits of this Agreement.

the rights and remedies Secured Party shall have all of the rights and remedies provided for in this Agreement excepted by Debtor, cumulative. Without limiting the foregoing, Secured Party shall have the right to: (a) require all of the Collateral and make it available to Secured Party at a place designated by Secured Party that is reasonably convenient to both parties, which Debtor agrees to do; (b) peaceably take possession of the Collateral and remove same, with or without judicial process; (c) without removal, render equipment located within the Collateral unusable, and dispose of the Collateral on the terms set forth in the Debtor's premises; (d) sell, lease or otherwise dispose of the Collateral as it deems fit for each or credit, without assumption of credit risk and/or (e) which ever before or after default, collect and receive for, compound interest, and settle, and give releases, discharges and acquittances with respect to, any and all amounts owed by any person or entity which refers to the Collateral, unless the Collateral is held by another party under a lease or other arrangement with respect to which Debtor shall remain liable to Secured Party for all obligations thereunder.

hereby waived by Debtor and any maker, endorser, guarantor, surety or other party liable in any capacity for any of the Obligations.

shall be entitled to exercise any or more of the following remedies (all of which are cumulative):

4. No Duty, Secured Party shall never be liable for its failure to give notice to Debtor of default in the payment of or upon the Collateral, Secured Party shall have no duty to fix or preserve rights against prior parties to the Collateral and shall never be liable for its failure to give notice to Debtor for what it may actually collect or receive in the Collateral or to collect any amount payable in respect of the Collateral, but shall be liable only to account to Debtor for what it may actually collect or receive in the Collateral or to use diligence to collect the Collateral and shall never be liable for its failure to use diligence to collect the Collateral or to collect any amount payable in respect of the Collateral.

EXHIBIT "A"

15358

- TJN*  
*2549*  
*R*
- 1) RTMX #2312, a 23,500 gallon general purpose tank car leased to Exxon Chemical.
  - 2) RTMX #2313, a 23,500 gallon general purpose tank car leased to Dow Chemical.
  - 3) RTMX #2314, a 23,500 gallon general purpose tank car leased to Exxon Chemical.
  - 4) RTMX # 2316, a 23,500 gallon general purpose tank car.
  - 5) RTMX #2317, a 23,500 gallon general purpose tank car leased to Sun Refining.
  - 6) RTMX #2318, a 23,500 gallon general purpose tank car leased to Sun Refining.
  - 7) RTMX #2319, a 23,500 gallon general purpose tank car leased to Sun Refining.
  - 8) RTMX #2320, a 23,500 gallon general purpose tank car leased to Exxon Company.
  - 9) RTMX #2321, a 23,500 gallon general purpose tank car leased to Sun Refining.
  - 10) RTMX #2458, a 23,500 gallon general purpose tank car.
  - 11) RTMX #2459, a 23,500 gallon general purpose tank car leased to Conoco.
  - 12) Assignment of Management Agreements between GLNX and Associated Railcar, Inc. on all eleven (11) cars held as collateral.
  - 13) Assignment of insurance on all eleven (11) cars held as collateral.
  - 14) Assignment of leases on nine (9) RTMX cars (#2312, #2313, #2314, #2317, #2318, #2319, #2320, #2321, & #2459).

All collateral listed below is cross-pledged to \$360,336.82 loan in the name of Associated Railcar, Inc.

- 1) GLNX #3554, a 23,500 gallon nominal capacity tank car leased to Exxon Chemical Americas.
- 2) GLNX #86044 through #86048, five (5) 23,500 gallon general purpose tank cars leased to Exxon Chemical Americas.
- 3) GLNX #4000 through #4027, twenty eight (28) airslide covered hopper cars leased to ConAgra.
- 4) GLNX #287, a pressure tank car leased to Gibson Gas.
- 5) GLNX #341, #32502, #301, and #303, four (4) pressure tank cars leased to Exxon Chemical Americas.
- 6) GLNX #302, a pressure tank car leased to El Paso Natural.
- 7) GLNX #304, a pressure tank car leased to Shell Oil Co.
- 8) GLNX #317, a pressure tank car leased to Exxon Co., USA.
- 9) Assignment of Management Agreements between GLNX and Associated Railcar, Inc. on all 42 cars held as collateral.
- 10) Assignment of insurance on all 42 cars held as collateral.
- 11) Assignment of leases on all 42 cars held as collateral.

*JAN*  
Initials